



**BRIEFING: OCTOBER 14, 2014, BOARD MEETING AGENDA ITEM #6**

**TO: Chairman Richard and Board Members**

**FROM: Scott Jarvis, Deputy Chief Program Manager**

**DATE: October 14, 2014**

**RE: Update Regarding the Re-Procurement of the Program Management Team Contract and Next Steps**

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**Background**

The California High-Speed Rail Program (Program) is expanding from the planning and preliminary design phases to project delivery and operations. As the Authority evolves to meet these changing needs, the role of key consultants will need to be adjusted to reflect the status of the Program. The re-procurement of the Program Management Team (PMT) contract provides a timely opportunity to position the Authority to meet its evolving needs and objectives.

**Discussion**

The existing PMT contract expires on June 30, 2015. As has been the practice on other contracts, the Authority's intent is to competitively procure all contracts when feasible. In accordance with the Authority's phased implementation strategy, which requires flexibility to capitalize on new funding sources (such as Cap and Trade) and accelerating certain segments, the Authority's staff recommends re-procuring the PMT contract to match the Authority's needs and goals. The PMT contract will continue to include support for strategic advice, business planning, continued development and management assistance for the Program. It will also include a greatly expanded focus on project delivery to ensure a cohesive program with technical and operational integration between the various projects and contracts into a common system. This structure is consistent with the approach approved by the Board in Resolution #HSRA 14-19 (Approved August 12, 2014) regarding the general direction for use of Cap and Trade funds and the direction of the new Financial Advisor contract approved in Resolution #HSRA 14-22 (Approved August 12, 2014).

Specific areas which will require a proven record of experience include: advanced project management systems; alternative delivery models (including public-private partnerships (P3s)); operations and maintenance of high-speed rail systems; railroad systems and technical integration; and, specialized project delivery components (i.e. tunnels). The expansion of the

PMT scope of work will allow the Authority to benefit from experienced firms working together in partnership on the upcoming challenges of the Program.

### *Structure of the Authority*

As the Program transitions to allow for more flexibility, the Authority will also transition to ensure consistent oversight and transparency. The Authority's structure is designed to have a comparatively lean civil service staff to provide vision and overall direction of the Program, while the PMT will play a vital role in supporting cohesion and integration amongst the Authority's consultants and contractors. The Authority will also continue and expand relationships with other state agencies, particularly with the Department of Transportation (Caltrans), in key roles to develop the Program and the statewide interconnection of the high-speed rail system with the state's existing intercity rail and public transportation systems. Utilizing other state resources will allow the Authority to capture valuable experience and knowledge from both the public and private sectors.

### *Transition*

A key component of the next PMT contract will be a smooth and comprehensive transition from the existing PMT contract, which expires on June 30, 2015. A transition plan addressing the knowledge transfer required, establishment of systems to manage information, project integration and a proposed timeline will be a required element in the procurement.

### **Next Steps**

#### *Procurement and Proposed Contract*

The Authority will be procuring the PMT contract in accordance with Government Code section 4525 et seq., the Authority's regulations, Board policies for Requests for Qualifications (RFQ), and other applicable state and federal requirements. Staff recommends a five-year term contract with the option to extend. The contract will be structured around functional areas; with performance metrics established and managed through an Annual Work Plan (AWP); and will comply with the Authority's 30% small business goal.

#### *Procurement Schedule*

While the proposed expansion in scope and transition of the role of the Authority's PMT has similar precedents in other program management contracts, the Authority intends to seek input and feedback from industry members. Authority staff will also be conducting an internal analysis to fully identify the anticipated needs of the Program for the next phase. All dates below are tentative. This schedule is intended to allow selection and award of the contract in a timeframe that will allow for any necessary transition period.

Industry Outreach	October 15-31, 2014
Presentation of RFQ to Board for Approval	December 9, 2014
Release of RFQ	Mid-December, 2014
Statements of Qualifications Due	March 3, 2015
Recommendation of Award to Board	April 14, 2015
Notice to Proceed Issued	May 1, 2015

**Recommendation**

This is an informational item only, staff does not recommend any Board action at this time.